

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 57895

**KING COUNTY FIRE PROTECTION DISTRICT NO. 16
DBA NORTSHORE FIRE DEPARTMENT**

King County, Washington

January 1, 1995 Through December 31, 1995

Issue Date: December 13, 1996

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KING COUNTY FIRE PROTECTION DISTRICT NO. 16
DBA NORTHSORE FIRE DEPARTMENT
King County, Washington
January 1, 1995 Through December 31, 1995

**Independent Auditor's Report On Compliance With State
Laws And Regulations**

Board of Commissioners
King County Fire Protection District No. 16
Bothell, Washington

We have audited the financial statements, as listed in the table of contents, of King County Fire Protection District No. 16, King County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated October 28, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the district complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the district's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the district and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the district complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. However, we noted an instance of noncompliance of regulatory requirements immaterial to the financial statements which is identified in the Schedule of Findings accompanying this report. With respect to items not tested, nothing came to our attention that caused us to believe that the district had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the board of commissioners and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag
State Auditor

October 28, 1996

KING COUNTY FIRE PROTECTION DISTRICT NO. 16
DBA NORTSHORE FIRE DEPARTMENT
King County, Washington
January 1, 1995 Through December 31, 1995

Schedule Of Findings

1. King County Fire District No. 16 Commissioners Should Provide Detail For Services Performed On Monthly Time Sheets

During our review of commissioner compensation we noted "office review" was provided as an explanation for services rendered on two of the commissioners' time sheets throughout 1995. For each instance, the commissioners received fifty dollars. It was noted in July of 1995, the two commissioners reported "office review" six times with no further documentation on the types of services performed per the requirements designated in District Policy 1630.

District Policy 1630, "Fire Commissioner Compensation" states in part:

A fire commissioner is eligible to receive compensation at the rate specified by RCW Title 52 for the following activities:

1. Attendance at and preparation for regular or special meetings;
2. Serving as a designated representative of the board such as: fire district committees, community development, collective bargaining, special events, etc.
3. Attending board pre-approved training and/or development activities;
4. Engaging in any other activity not listed above, as a member of the board, shall be allowed only upon specific approval of a majority of the members of the board.

RCW 52.14.010 states in part:

Each member shall each receive fifty dollars per day or portion thereof, not to exceed four thousand eight hundred dollars per year, for attendance at board meetings and for performance of other services in behalf of the district.

Given the explanations of "office review," we are unable to determine whether the services provided are legitimate and are in compliance with the district's own internal policies and procedures. Consequently, it cannot be determined if compensation paid to the commissioners is allowable.

We recommend district commissioners adhere to the guidelines as specified in District Policy 1630 by providing more detail on monthly time sheets.

Auditee's Response

We have reviewed the findings in detail and have concluded that we concur with your recommendations. We will advise the commissioners at their next regular meeting scheduled for November 19th, to be sure to define the specific nature of their activity when signing in for pay purposes. Additionally, this will be a good time for a review of the requirements of policy 1630.

Thank you again for your assistance.

Auditor's Concluding Remarks:

We appreciate district management's positive response and will review their progress during our next audit.

KING COUNTY FIRE PROTECTION DISTRICT NO. 16
DBA NORTSHORE FIRE DEPARTMENT
King County, Washington
January 1, 1995 Through December 31, 1995

**Independent Auditor's Report On Financial Statements And Additional
Information**

Board of Commissioners
King County Fire Protection District No. 16
Bothell, Washington

We have audited the accompanying Statements of Assets and Liabilities Arising from Cash Transactions and Statements of Fund Resources and Uses Arising from Cash Transactions and Other Changes in Fund Balance of the various funds of King County Fire Protection District No. 16, King County, Washington, for the fiscal year ended December 31, 1995. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the district prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles. The district did not present note disclosure for the year ended December 31, 1995. Presentation of such notes would provide additional information regarding the district operating, investing, and financing activities. Note disclosure is required by generally accepted accounting principles.

In our opinion, except that the lack of note disclosure results in an incomplete presentation as explained in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and recognized revenues and expenditures of the funds of King County Fire Protection District No. 16 for the fiscal year ended December 31, 1995, on the cash basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Long-Term Debt is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Brian Sonntag
State Auditor

October 28, 1996